



City of Ketchum

February 21, 2023

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Third Reading of Ordinance #1244 Related to a May Local Option Tax Election

Recommendation and Summary

During the January 3rd meeting, staff reported feedback from several resident and business owner focus groups related to options for a potential Local Option Tax ballot question on the upcoming May election. The Council narrowed the options down to two and directed staff to hold another series of public outreach efforts (focus group, open house & online survey). Based on the feedback, Mayor Bradshaw is recommending the third reading of Ordinance 1244.

First Motion: "I move to approve the third reading of Ordinance 1244 by title only."

Second Motion: "I move approval of Ordinance 1244."

The reasons for the recommendation are as follows:

- Ordinance 1244 seeks voter approval to extend the existing one percent for Air Local Option Tax for five years but with a new distribution of one-half percent dedicated to air service and one-half percent to housing.
- This would result in no tax increase but dedicated ongoing funding for implementation of the Ketchum Housing Action Plan.

Introduction and History

During the spring of 2022, the city in collaboration with the public, business owners and valley partners (non-profits, governmental) completed the inaugural Housing Action Plan. The plan set forth five strategic goal areas with specific objectives and associated program investments. The plan will be updated annually with public input to inform the next fiscal year budget.

Due to existing limited funds, the City Council approved a May 2022 election to request voter approval of a dedicated Local Option Tax funding source to implement the plan. It is important to note, the plan was envisioned to address funding gap areas in partnership with existing valley non-profit and philanthropy groups. While there was strong voter support for the measure, it did not reach the required 60% approval threshold.

Sustainability Impact

Local community housing reduces vehicular trips and associated carbon footprint.

Financial Impact

The only current dedicated funding source for community housing is the In-Lieu Housing Fund, which is currently fully committed to the local match for Bluebird Village housing project. The Urban Renewal Agency has recently requested a \$1.5 million partnership match for the Washington Street housing project. The development team has also requested reimbursement for their planning/building application fees as well as impact fees.

Attachments

Ordinance #1244

**CITY OF KETCHUM
ORDINANCE NUMBER 1244**

AN ORDINANCE OF THE CITY OF KETCHUM, IDAHO, AMENDING ORDINANCE 1166 AS PREVIOUSLY AMENDED, WHICH PROVIDES FOR THE IMPOSITION OF LOCAL OPTION TAXES (LOT); PROVIDING FOR A BALLOT; PROVIDING FOR EXTENSION OF THE LOT AND AMENDMENT OF PURPOSES; PROVIDING FOR ALLOCATION OF THE LOT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING A REPEALER CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Ketchum is authorized to collect local option taxes pursuant to Ordinance 712 and Ordinance 1090, and 1108.

WHEREAS, the City of Ketchum has determined it is in the best interests of the public to amend Ordinance 1166 to add an additional authorized use of the local-option, non-property taxes, Workforce Housing Provision and Support and split the LOT equally between purposes. The local-option, non-property taxes outlined in Ordinance 1166 are collected for the purpose of maintaining and increasing commercial air service as set forth in the ballot.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO:

SECTION 1. The following ballot shall be submitted to the registered voters of the City of Ketchum at the May 16, 2023 election and Ordinance 1166 shall be amended as provided for in the ballot provided that the ballot is approved by sixty percent of the registered voters that vote on such ballot:

SPECIAL NON-PROPERTY TAX ELECTION

**CITY OF KETCHUM
STATE OF IDAHO**

1% Local Option Tax

Shall the City of Ketchum adopt Ordinance No. 1244 amending previously voter approved Ordinance 1166 which provides for the collection of a one percent (1%) local non-property tax to maintain and increase commercial air service to Friedman Memorial Airport through promotion and minimum revenue guarantees. There is no proposed increase in existing local option taxes.

Ordinance No 1244 proposes the following changes:

1. Extension of the existing 1% local option non-property tax for a period of five years from its effective date of July 1, 2023.
2. Half of the one percent to be allocated for the ongoing purpose of preservation and support of air service

3. Half of the one percent to be allocated solely for the purpose of preservation and creation of workforce housing.

This is an extension of the existing one percent local option tax with a modified allocation of purposes. There is no proposed increase in existing local option taxes.

Half of the One Percent (0.5%) for Air Service and Half of the One Percent (0.5%) for Workforce Housing

IN FAVOR	→	<input type="checkbox"/>
AGAINST	→	<input type="checkbox"/>

Ordinance No. 1244 was adopted by the Ketchum City Council on _____, 2023, but will only be effective upon approval of sixty percent of the registered voters that vote on this ballot.

SECTION 2. SEVERABILITY CLAUSE. If any paragraph, part, section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid for any reason by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 3. PUBLICATION. This Ordinance shall be published once in the official newspaper of the City.

SECTION 4. REPEALER CLAUSE. All City code sections, ordinances or resolutions or parts thereof, which are in conflict herewith are hereby repealed.

SECTION 5. EFFECTIVE DATE. This Ordinance shall be in full force and effect on July 1, 2023, after voter approval, passage by City Council and Mayor, and publication according to law.

PASSED BY THE CITY COUNCIL OF THE CITY OF KETCHUM, IDAHO, and approved by the Mayor this ___ day of _____ 2023.

Neil Bradshaw, Mayor

ATTEST:

Trent Donat, City Clerk